

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1837 - HB 2253**

January 31, 2016

**SUMMARY OF BILL:** Prohibits the Commissioner of Human Resources from establishing minimum qualifications for any position in preferred service that requires an applicant to be currently employed by the state.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$496,600/One-Time  
\$222,400/Recurring**

**Assumptions:**

- Based on information provided by the Department of Human Resources (DOHR), out of 7,399 job postings total in the previous year, 1,902 were promotional postings open to current state employees, and 5,497 were postings open for anyone. Further, out of 300,000 applications analyzed in the previous year, 15,477 were from state employees for promotional postings, and 284,523 were from other applicants for postings open to anyone.
- The average number of applications for each posting open to anyone is 51.76 (284,523 / 5,497). The average number of additional applications for each promotional posting, if the requirement that such postings open only to applicants currently employed by the state was removed, is therefore estimated to be 51.76.
- The total number of applications for promotional postings, after passage of this bill, is estimated to be 98,448 (1,902 postings x 51.76 applications per posting). This represents an increase of 82,971 applications total (98,448 – 15,477).
- According to DOHR, the department currently reviews each application to determine minimum qualifications. Approximately 300,000 applications were reviewed last year by 16 Human Resource Specialists, for an average of 18,750 applications per Specialist.
- In order to meet the processing demands for additional applications, the Department will need to hire four additional employees (82,971 additional applications / 18,750 applications per Specialist).
- Based on the information provided by DOHR, it is estimated that an average compensation for a Human Resource Specialist is \$55,612 (\$39,996 salary + \$15,616 benefits) and an hourly salary rate of \$20.51 (\$39,996 salary / 1,950 working hours).
- The recurring increase in state expenditures for such employees is estimated to be \$222,448 (4 employees x \$55,612 compensation per employee). One-time expenditures

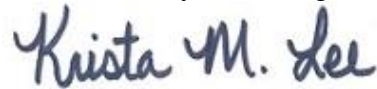
**SB 1837 - HB 2253**

associated with hiring four additional employees are estimated to be \$4,400 (4 employees x \$1,100 per employee).

- According to DOHR, resources would have to be redeployed to complete analysis for reevaluating and rewriting 3,200 job classifications.
- It is estimated that an average of 7.5 hours per job classification is sufficient time for such revisions to be completed. As a result, 24,000 additional Human Resource Specialist hours will be required (3,200 job classifications x 7.5 hours per classification), resulting in a one-time increase in state expenditures of \$492,240 (\$20.51 per hour x 24,000 hours).
- The total one-time increase in state expenditures is estimated to be \$496,640 (\$492,240 + \$4,400).
- The proposed legislation will not significantly impact compensation levels of promotional job postings that currently require an applicant to be employed by the state.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/tdb